

13th July '07



Merlin Calls Elections for Full Board

- *Fifteen Positions Available*
- *Nominations Invited From All Independents - Labels, Distributors, Aggregators*
- *Global Selection Process To Deliver Global Representation*
- *Major Step Towards Incorporation - Most Important Initiative Global Independent Sector Will Likely Ever Undertake*

Merlin, the world's first global rights body for independents, today opened elections for fifteen available positions on its inaugural full Board. Nominations were invited from all independent labels, distributors or aggregators across the world, regardless of their membership of local trade bodies.

The Board composition will be as follows:

- North America x5
- Europe x5
- Rest of the World (ROW) x5

(The USA and Canada combined accounts for 37% global recorded music sales, while Europe and ROW account for 34% and 29% respectively [IFPI Recording Industry In Numbers 2006]. This split, approximately in three equal parts, guides the allocation of Board positions)

The elections will be overseen by the independents' trade bodies operating in Merlin's three constituent territories. A2IM/CIRPA/ADISQ** will supervise the process in North America, while IMPALA and the World Independent Network (WIN) will fulfil the role in Europe and ROW respectively.

Nominations in North America will include at least one Canadian Board member, while the five ROW Board members are to split geographically, with a single member coming from each of South America, Australia/New Zealand, South-East Asia, Japan and Africa. The European spread will be determined by IMPALA.

The deadline for nominations is Friday July 27th, with voting set to begin Monday August 6th. Voting closes on Friday August 10th, with the new Board replacing the interim Board on Wednesday August 15th. The new Board will sit for two years.

The elected Directors will join permanent Directors the President of WIN, currently Alison Wenham, and Merlin CEO Charles Caldas, who is a non-voting board member.

The elections fulfil a key step on the road to incorporation for Merlin, whose remit is to provide access to and protect the global independent sector, by ensuring competitive terms for new and emerging media usages of its music.

In parallel, Merlin is working with KPMG to finalise a constitution and organisational structure that fulfils its aims: non-profit, member-owned, transparent in its operations and cost effective to its membership.

Said **Charles Caldas** *"We are clearly on the way. We have a clarity of purpose and a powerful, robust mandate designed to ensure that independents are able to better compete in the ever changing world of digital music. We finally have a collective voice that unites the strength, diversity and common will of its members."*

"We will make sure independent music is available, that its true value is recognised and most importantly that is fairly paid for. The board is the final step and I am sure our broad, inclusive process will yield a talented, committed and powerful group ready to take this organisation into the future".

Commented **Rich Bengloff**, President of A2IM *"Having a music rights agency for the independent community will be of great benefit to all labels who wouldn't otherwise have the same access to the market, and will also benefit consumers who will get access to music that would otherwise be much less available."*

IMPALA Vice President **Horst Weidenmuller** (IK7 Records, Germany) said *"As technology continues to enable exciting new media platforms, the need for a global rights body for independents has never been greater. These elections, carefully formulated to create a truly representative organisation, provide an indication of just how robust that body will be."*

Clive Hardwick, Association of Independent Recording Companies South Africa noted *"The Association of Independent Recording Companies in South Africa welcomes the provision for an African member on the board of Merlin. We believe that Merlin will play a significant role in the future of the digital music business for indies throughout the world and perhaps more especially in emerging markets where market access has historically been more difficult."*

**American Association of Independent Music/Canadian Independent Record Production Association/Association Québécoise de l'Industrie du Disque

Eligibility / Nomination Procedure

An eligible independent is defined as:

“A copyright controlling company which controls 50%+ of its equity, and has no more than 5% of the global music market share.”

Nominations must be made to the relevant trade body for that region and should be accompanied by statements of support from the principals of three independent copyright controlling companies, as well as a biography, a short description of the company, and a personal statement outlining why the nominee wishes to run for election. Nominations are restricted to one per company.

Eligibility is also dependent on the nominee’s organisation mandating Merlin - broadly to represent master rights, on a non-exclusive basis, as defined by the scope of operation of the organisation. To allow for the timing of the drafting and Board approval of the mandate and membership documents, Board members will have three months to complete the mandate.

Nominations must be sent by email, with “*Merlin Board Nominee*” in the subject line, to:

USA – jim.mahoney@a2im.org (Jim Mahoney)

Canada - duncan@cirpa.ca (Duncan McKie) or bouchard@adisq.com (Lytte Bouchard)

Europe – jtaylor@impalamusic.org (James Taylor)

ROW – ellie@musicindie.com (Ellie Mules)

Those standing will receive a receipt of their nomination.

About Merlin

Merlin’s remit is to represent the global independent sector to ensure that it has open and equal access to new and emerging revenue streams, particularly where independents are being discriminated against, or deals can't be easily negotiated locally or individually.

Merlin will improve access and level the playing field with new and emerging media, rectifying the ‘poor cousin’ status of deals previously offered to independents. Operating outside the space occupied by Collecting Societies and distributors, Merlin will redress the growing assumption that, for emerging media, only the four majors need to be licensed, with the rest free to air.

A multi-national initiative in the truest sense, Merlin has already been ratified by the World Independent Network (WIN), a global trade body with trade association members from around the world, IMPALA (European Independent Music Companies Association), UK (AIM), France (UPFI), Canada (CIRPA) Germany (VUT), Norway, Japan (ILCJ), Sweden (SOM), Brazil, (Visom) Spain (UFI), New Zealand (IMNZ) and Australia (AIR) as well as marquee labels including The Beggars Group, Edel, Ministry of Sound, !K7, PIAS and members of the American Association of Independent Music (A2IM) including Koch, Epitaph, Matador, Tommy Boy, as well as a string of distributors and aggregators around the globe.

Merlin is a sister organisation to WIN, and was incubated by WIN as its first major global project. Merlin will operate as a stand-alone non-profit company owned by its members and based in The Netherlands and London.

* Independent sector global market share 2005 is 29.0%, source Music & Copyright, Sep 13 2006. 80% of releases stat based on an amalgamation of Nielsen Soundscan figures (2005: 81.65% of total US releases were independent) and BPI figures (2005: 83% of total UK releases were independent).